



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON
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OCT 28 2004

DFAS-DOP

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE
FINANCE AND ACCOUNTING SERVICE (PM/CL)

SUBJECT: Interim Change to the DoDFMR, Volume 7A, Regarding Assignment Incentive
Programs (DFAS Item N-03)

The attached Interim Change 32-04 to Chapters 7 and 17 of the Department of Defense Financial Management Regulation (DoDFMR), Volume 7A has various effective dates. This change incorporates new Assignment Incentive Pay Programs and a new Hardship Duty Pay variation for members involuntarily extended on duty while serving in Iraq and Kuwait. This change includes a complete rewrite of Chapter 7 as established by Interim Change 06-04 which is hereby superseded.

We have evaluated your comments on the proposed change and included your comments where appropriate. Assignment of the interim change number is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A.

Lydia Moschkin
Director, Policy

Attachment:
As stated

cc: DFAS-DDM/CL
DFAS-GAM/DE
DFAS-PMA/CL
DFAS-PMJE/DE
ODUSD(MPP)(Comp)
ODGC(F)
OUSD(C)(ODCFO)(FP)
Service Liaisons
USCG/NOAA/PHS Liaisons

Assignment Incentive Programs

1. Replace the Table of Contents for Chapter 7, as established by Interim Change 06-04 with the following:

TABLE OF CONTENTS**MONTHLY INCENTIVE PAYS – GENERAL**

701	Assignment Incentive Pay
070101	General Entitlement
070102	Navy Pilot Program
070103	Army Korea Assignment Program
070104	Air Force Korea Assignment Program
070105	Involuntary Extension Program – Iraq
070106	Voluntary Extension Program – Iraq and Afghanistan

2. Replace Section 0701 of Chapter 7, as established by Interim Change 06-04 with the following:

0701 ASSIGNMENT INCENTIVE PAY

070101. **General Entitlement.** A member of a uniformed service entitled to basic pay may be paid Assignment Incentive Pay (AIP) for performing service in an assignment designated by the Secretary concerned for such purpose as approved by the Office of the Secretary of Defense.

A. **Eligibility.** To be eligible the member must be serving on active duty. The period for which AIP will be provided and the monthly rate of the incentive pay for each entitled member shall be specified in a written agreement between an official appointed by the Secretary concerned and the member. The Secretary of a military department may only enter into agreements under terms and conditions for which the Secretary of Defense has provided concurrence.

B. **Payment.** The maximum monthly rate of incentive pay payable to any member under this chapter is \$1,500. Incentive pay paid under this section is in addition to any other pays and allowances to which the member is entitled, except as may be noted under each program. The monthly pay shall be prorated for partial months served, except as may be noted under each program.

C. **Restrictions.** No agreement for any AIP program may be entered into after December 31, 2005.

D. Special Provisions. The service of a member in a designated assignment shall not be considered discontinued during any period that the member is not performing service in the assignment by reason of temporary duty performed by the member pursuant to orders or absence of the member for authorized leave.

070102. Navy Pilot Program. On May 29, 2003, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized the Navy AIP pilot program.

A. Entitlement begins upon reporting to the assigned duty and terminates when permanently detached from the assigned duty.

B. Payment rates are determined by negotiation between the member and the Navy and may be different for members in the same location. Payment will be prorated for partial months served in a designated assignment.

C. Payment for AIP may not be made to Navy members receiving a Selective Reenlistment Bonus for Location for the same assignment.

070103. Army Korea Assignment Program. On March 10, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized the Army AIP Korea assignment program hereafter referred to as the “long – term program” and on May 18, 2004, further authorized the Army 90-day Korea assignment program. By direction of the Secretary of the Army, authority for the long-term program expires on March 10, 2005 and the 90-day program expires September 30, 2005.

A. Entitlement under the long-term program may be gained in one of three ways:

1. Soldiers who volunteer to serve a 24 month unaccompanied or 36 month accompanied tour and enter such agreement prior to arrival through completion of the first 30 days of their tour in Korea will receive \$300 per month from the date of signature through their new tour end date.

2. Soldiers who volunteer to extend their tour by 24 months and enter such agreement with six months or less remaining on their tour in Korea will receive \$400 per month from the date of their originally scheduled tour end date through their new tour end date. Soldiers completing an obligation under a targeted selective reenlistment bonus in Korea are also eligible for this program.

3. Additionally, there is a one-time application window of 60 days (from March 12, 2004 through May 12, 2004) for soldiers who have more than 30 days remaining on their tour in Korea. Soldiers who volunteer to extend their tour length by 12 months and enter such an agreement will receive \$300 per month from the date of signature through their new tour end date.

B. Entitlement under the 90-day program is for soldiers who volunteer to extend their scheduled tour of duty in Korea by 3 months. They will be paid an amount not to exceed \$300 per month from the date the AIP agreement is accepted through their new tour end date. The monthly pay shall be that specified in the agreement.

C. The AIP will be stopped upon termination of the contract or curtailment of the agreed tour of duty for any reason, either voluntary or involuntary. The entitlement to AIP will be terminated if the member is determined to be absent without leave or enters confinement.

D. Payment of AIP will be prorated for partial months served in the assignment.

E. Soldiers who elect AIP for Korea will not be eligible for a Targeted Selective Reenlistment Bonus contract, the Overseas Tour Extension Incentive Program (OTEIP), or the Consecutive Overseas Tour/In Place Consecutive Overseas Tour (IPCOT) programs.

070104. Air Force Korea Assignment Program. On April 27, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized the Air Force AIP Korea assignment program. Authority for the program expires on September 30, 2005.

A. Entitlement may be gained in one of two ways:

1. Airmen who volunteer to serve a 24 month unaccompanied or 36 month accompanied tour before arriving in Korea, and who enter such agreement prior to completion of the first 30 days in country, will receive \$300 per month from the date of arrival through their new tour end date.

2. Additionally, there is a one-time application offer for airmen who have at least 6 months remaining on their tour in Korea or who have not received benefits under the OTEIP or the IPCOT program. Airmen who volunteer to extend their tour length by 12 months and enter such an agreement will receive \$300 per month from the date of signature through their new tour end date.

B. The AIP will be stopped upon termination of the contract or curtailment of the agreed tour of duty for any reason, either voluntary or involuntary. The entitlement to AIP will be terminated if the member is determined to be absent without leave or enters confinement.

C. Payment of AIP will be prorated for partial months served in the assignment.

D. Airmen who elect AIP for Korea will not be eligible for Home basing, Follow-on Assignment, or concurrent OTEIP or IPCOT.

070105. Involuntary Extension Program for Iraq. The AIP involuntary extension incentive program for duty in Iraq entitles qualified members to \$800 per month. Payment will not be prorated for partial months, but rather will be paid in full for any partial month of qualification. Assignment Incentive Pay for involuntary extension of duty is payable only to members assigned or attached to specific units deployed to the Iraqi area of operations. The only qualifying units are those specifically identified by the Combatant Commander for this purpose. There are two independent qualifying effective dates with criteria as follow:

A. On January 20, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized Assignment Incentive Pay for members assigned or attached to specified units identified by the Combatant Commander as having been required to remain in Iraq beyond the normal 12-month rotation return date. Additionally, the individual member must have been deployed to Iraq (including staging time in Kuwait) and/or Afghanistan for 12 months within a 15-month period (365 days out of 450 days). (The authority issued on January 20, 2004, was rescinded, but replaced by policy issued on April 12, 2004, by memorandum with no material change).

B. On April 22, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized Assignment Incentive Pay for members assigned to theater units not based in Iraq, who routinely conduct operations in Iraq or support units that conduct operations in Iraq. The only qualifying units are those specified by the Combatant Commander as having been involuntarily extended beyond the normal 12-month rotation return date. Additionally, the individual member must have been deployed to Iraq (including staging time in Kuwait) and/or Afghanistan and/or the location of the unit for 12 months within a 15-month period (365 days out of 450 days).

070106. Voluntary Extension Program for Iraq and Afghanistan. On February 11, 2004, the Secretary of Defense authorized AIP for voluntary extension of duty in Iraq and Afghanistan. On March 30, 2004, the program was modified to provide a separate payment structure for members identified by the Combatant Commander as intelligence assets.

A. Members identified as intelligence assets by the Combatant Commander and other military members as specified by the Military Department concerned who are assigned to duty in Iraq and/or Afghanistan are entitled to AIP for voluntary continuation of service in country. To qualify, the member must complete 12 months of deployed duty within a 15-month period (365 days out of 450 days) in Iraq and/or Afghanistan. Deployed time includes staging time in Kuwait.

B. Members will be entitled beginning on the date of the extension through the end date of the extension. The monthly pay shall be that specified in the agreement, but may not exceed the following:

1. Beginning February 11, 2004, a specified member may be paid AIP for voluntary extension of service in Iraq and/or Afghanistan up to \$300 per month for a 3-

month extension, or up to a maximum of \$600 per month for a 6-month extension, or up to \$900 per month for a 12-month extension.

2. Beginning March 30, 2004, a member identified as an intelligence asset by the Combatant Commander may be paid AIP for voluntary extension of service in Iraq and/or Afghanistan up to \$750 per month for a 3-month extension or up to \$1,000 per month for a 6-month extension.

C. Payment of AIP will be prorated for partial months served in the assignment.

3. Replace the bibliography for Chapter 7, as established by Interim Change 06-04 with the following:

Chapter 7 – Monthly Incentive Pays – General

0701 – Assignment Incentive Pay

070101	37 U.S.C. 307a,
070102	PDUSD(P&R) Memo,
	May 29, 2003
	CNO NAVADMIN 161/03
070103	PDUSD(P&R) Memo,
	March 10, 2004
	PDUSD(P&R) Memo,
	May 18, 2004
	HQDA ALARACT 034/2004
070103.A.2	DA ADCoS,G-1 Memo,
	September 14, 2004
070104	PDUSD(P&R) Memo,
	April 27, 2004
	AF-ADCoS Pers Memo,
	April 08, 2004
070105	PDUSD(P&R) Memo,
	January 20, 2004
	PDUSD(P&R) Memo,
	April 12, 2004
	PDUSD(P&R) Memo,
	April 22, 2004
	HQDA ALARACT 022/2004
070106	PDUSD(P&R) Memo,
	February 11, 2004
	PDUSD(P&R) Memo,
	March 30, 2004

4. Replace the last three sentences in paragraph 170101 with the following:

The Secretary of Defense has established that HDP shall be paid to members for performing a designated hardship mission, when assigned to a designated location and/or, when serving on a designated involuntary extension of duty. The approved HDP missions, locations, and involuntary extensions of duty requirements and the applicable HDP rates are provided in this chapter. Except as noted under restrictions, HDP rates are payable in addition to all other pays and allowances.

5. Add a new paragraph numbered 170104 to read as follows:

170104. Involuntary Extension of Duty Entitlement. Hardship Duty Pay for involuntary extension of duty is payable only to members assigned or attached to specific units deployed to the Iraqi area of operations. The only qualifying units are those specifically identified by the Combatant Commander for this purpose. Hardship Duty Pay for involuntary extension of duty is payable in addition to other HDP types as long as the total does not exceed a monthly rate of \$300. There are two independent qualifying effective dates with criteria as follow:

A. Effective January 20, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized Hardship Duty Pay for members assigned or attached to specified units identified by the Combatant Commander as having been required to remain in Iraq beyond the normal 12-month rotation return date. Additionally, the individual member must have been deployed to Iraq (including staging time in Kuwait) and/or Afghanistan for 12 months within a 15-month period (365 days out of 450 days). (The authority issued on January 20, 2004, was rescinded, but replaced by policy issued on April 12, 2004, by PDUSD(P&R) memorandum with no material change).

B. Effective April 22, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized Hardship Duty Pay for members assigned to theater units not based in Iraq, who routinely conduct operations in Iraq or support units that conduct operations in Iraq. The only qualifying units are those specified by the Combatant Commander as having been involuntarily extended beyond the normal 12-month rotation return date. Additionally, the individual member must have been deployed to Iraq (including staging time in Kuwait) and/or Afghanistan and/or the location of the unit for 12 months within a 15-month period (365 days out of 450 days).

6. Add a new paragraph numbered 170203 to read as follows:

170203. Involuntary Extension of Duty Rates. Hardship Duty Pay for involuntary extension of duty is payable at a monthly rate of \$200. It is not to be prorated for partial months, but will be payable in the full \$200 amount for any month during which the member meets

qualifying criteria.

7. Change subparagraph 170301.A to read as follows:

A. The maximum total HDP (HDP-L, HDP-M and HDP for involuntary extension of duty) that may be paid to an individual member in any one month is \$300.

8. Add a new subparagraph numbered 170301.D to read as follows:

D. The maximum total HDP for involuntary extension of duty that may be paid to an individual member in any one month is \$200.

9. Add the following citations to the bibliography for Chapter 17, Special Pay - Hardship Duty:

170104

PDUSD(P&R) Memo,
January 20, 2004
PDUSD(P&R) Memo,
April 12, 2004
PDUSD(P&R) Memo,
April 22, 2004
HQDA ALARACT 022/2004
HQDA ALARACT 025/2004